

Officers and Employees of Vendors, Contractors and Subcontractors Who Perform Services for the State of Michigan - Confidentiality Notice

Authorized officers and employees who have been granted access to Michigan Department of Treasury (Treasury) tax return information are reminded that they may not access or disclose tax returns or tax return information without specific authority under Treasury's contract with their company and under the safeguard guidelines outlined below. Access to Treasury information, both paper and electronically based information, is allowed on a **need-to-know** basis to perform your contracted duties. Before you disclose returns or return information to other employees in your company, they must also **need** the information to perform their contractual duties.

Do not access, research or change any account, file, record, or application not required to perform your official duties. You are forbidden to access your own account, or that of a spouse, friend, neighbor, relative, any account in which you have a personal or financial interest or the account of a celebrity or other public person unless specifically instructed to do so. If you are assigned to work on one of these accounts, contact your supervisor immediately. Otherwise, **ACCESS ONLY** those accounts required to accomplish your contractual duties.

Confidential information shall not be disclosed by a department employee or vendor employee to confirm information made public by another party or source which is part of any public record. 1999 AC 205.1003(3).

If you prepare or are involved in the preparation of tax returns for someone other than yourself, this may constitute a **conflict of interest**. Access to Michigan or federal tax return information that you helped prepare is not permitted. You must contact your supervisor immediately if assigned to one of these accounts.

Do not E-MAIL taxpayer information. **Do not FAX** taxpayer information.

If you have been given authorization to access a computer system or application, you must **PROTECT your password from disclosure. DO NOT reveal it or share it with ANYONE**, regardless of his or her position in or outside your company, even your direct supervisor. Make every reasonable effort to protect your password. If you suspect someone is using your password, change your password immediately and contact your usercode manager or supervisor to report a possible security violation.

Always log off the system if you go to lunch, break, or leave your terminal for any length of time. Retrieve any hard copy prints from the printer and save or destroy appropriately. If you have tax information that must be destroyed, never discard in a wastebasket. **Place confidential tax materials in waste containers designated for confidential shred** or in a secure area until arrangements can be made to destroy such tax information. **Do not leave tax returns or tax return information unattended.** Place documents in a designated, secure area during unattended periods.

Criminal and Civil Penalties

If you access a return without authority or disclose tax returns or tax return information inappropriately, you may be subject to criminal and civil penalties under the Michigan Revenue Act and the Internal Revenue Code (IRC). Penalties can include fines and imprisonment.

Agency Discipline

Absence of criminal prosecution does not prevent your agency from pursuing internal sanctions for unauthorized accessing, browsing, or disclosing state or federal tax returns or tax return information.

Michigan Penalties

MCL 205.28(1)(f) provides that you may not willfully browse any Michigan tax return or information contained in a return. Browsing is defined as examining a return or return information acquired without authorization and without a **need to know** the information to perform official duties. Violators of §28(1)(f) are guilty of a **felony** and subject to **fines of \$5,000 or imprisonment for five years, or both** per the Michigan Revenue Act, 1941 PA 122, MCL 205.28(2). State employees will be discharged from state service upon conviction.

Any person who violates any other provision of the Revenue Act, 1941 PA 122, MCL 205.1, et seq., or any statute administered under the Revenue Act, will be guilty of a misdemeanor and fined **\$1,000 or imprisonment for one year, or both**, MCL 205.27(4).

Federal Penalties

If you willfully disclose federal tax returns or tax return information to a third party, you are guilty of a **felony with a fine of \$5,000 or imprisonment for five years, or both, plus prosecution costs** according to the Internal Revenue Code (IRC) §7213, 26 USC 7213.

In addition, inspecting, browsing or looking at a federal tax return or tax return information without authorization is a **felony violation** of IRC §7213A, 26 USC 7213A, subjecting the violator to a **\$1,000 fine or imprisonment for one year, or both, plus prosecution costs**. Taxpayers affected by violations of §7213A must be notified by the government and may bring a civil action against the federal government and the violator within two years of the violation. Civil damages are the **greater of \$1,000 or actual damages** incurred by the taxpayer, plus the costs associated with bringing the action, 26 USC 7431.

Each employee has a responsibility to maintain public trust. Our effectiveness depends on our continued commitment to provide quality service to the public. If you have any questions, please contact the Disclosure Officer in the Office of Policy Communications and Disclosure at (517) 335-0629 or email Treas_Disclosure@michigan.gov.

Print Employee Name _____

Employee Signature _____

Company _____

Michigan Department (if known) _____

Date _____

After you read this notice, sign, date, and make a copy for your records and return the original to your supervisor.

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